abroad to be repatriated as and when expenditure for the aproved end uses (including upto 15% earmarked for general corporate restructuring uses) are incurred. This will enable companies to tap makets abroad for approved purposes while also avoiding monetary exansion as a consequence of Euro issue inflows in advance of the need for funds.

(c) Dividends on the underlying Ordinary Shares would represent the annual servicing burden on account of GDRs issued by the Indian companies. Such payments would depend on the performance of the individual companies and the rates of dividend declared by them.

Safeguards for Indian Stock Exchanges

1085. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether the collapse of the Barings banking institution, which has convulsed the share market in a number of foreign countries, will also affect the Indian stock markets;

(b) whether proposals are under consideration to introduce safeguards to isolate the Indian Stock Exchange from such international developments; and

(c) whether the proposals to 'lock in' for a minimum stipulated period investments from outside are being examined?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The incident related to the Barings PLC and its subsidiaries has not had any tangible repurcussions on the Indian Stock Market.

(b) While it may not be possible to completely isolate any market in which cross border investment inflows are permitted from the effects of international developments, the existing restrictions on Foreign Institutional investments in terms of ceiling of such investments in a single company to the extent of 5% of the capital of the company, ceiling of aggregate holding of Foreign Institutional Investors (FIIs) and Non-resident Indians in a single company to the extent of 24% of the capital, and the ceiling on exposure of FII investments to debt securities are intended to minimise the impact.

(c) Secondary market investments by FIIs are not subject to any lock-in period. However preferential allotment made to FIIs by Indian companies in their issues is subject to lock in provisions. Further the prevailing higher short term capital gains tax acts also as a deterrent to disinvestment by FIIs within a period of less than 12 months Government does not propose to introduce any further lock-in-restrictions.

Badla trading in stock market

1086. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to reintroduce Badla trading in stock market operations:

(b) if so, the details thereof;

(c) whether it is a fact that the Badla transactions were banned by the Securities and Exchange Board of India (SEBI) in December, 1993 with full concurrence of the Finance Minister; and

(d) if so, what are the reasons for reintroducing Badla transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The Securities and Exchange Board of India (SEBI) has recently constituted a Committee to review the system of carry-forward of transactions in the stock exchanges. No decisions have yet been taken by SEBI